

**CONFIDENTIAL**

NOFORN

**NEW WAY PROPOSED TO FIX U. S. SALARIES**

A new system of fixing the salaries of the Government's classified and postal workers was advocated by a special subcabinet committee in a report recently released by the White House.

The committee proposed that classified and postal salaries be set on a wage-board type of system, whereby the pay would be determined by the general levels of industry salaries on a national basis.

The White House released the report without comment. White House officials said the President has taken no stand on the proposals, but it was pointed out that Mr. Eisenhower, several weeks ago, asked Congress to set up a 15-member commission to study the entire Federal pay structure.

Mr. Eisenhower's criticism of the current methods of fixing Federal salaries is similar to the sub-cabinet committee's indictment of the present systems as "unrealistic" and not geared to the demands of the times.

The sub-cabinet steering committee was headed by Undersecretary of Labor James O'Connell. The group would establish a Civilian Compensation Agency, which would adjust the pay of classified and postal workers. Under this proposal, Congress no longer would set the pay for these employees.

**90-CENT SURVEY**

The O'Connell group proposed:

1. That a new general schedule be established for

-1-

**CONFIDENTIAL**  
NOFORN

**CONFIDENTIAL**

NOFORN

classified and postal workers based on a 50-city survey of rates paid for work comparable to that found in grades 1 to 15.

This system would be somewhat similar to the wage-board system for Government per diem (blue collar) workers. The major difference is that per diem workers' pay is based on comparable industry pay on a local level, while the O'Connell group's proposal for classified and postal workers would base these salaries on a national average based on 50 cities throughout the country.

2. The proposed Civilian Compensation Agency would conduct surveys of prevailing industry salary rates annually (although not necessarily simultaneously) and would adjust Federal rates to conform thereto.

#### **Simultaneous Adjustment**

3. Adjustments in the pay of all jobs would be made at one time. Such action would contribute positively to employee morale, the committee said.

4. The salaries would be based on the identification of "benchmark" jobs at the top, middle and bottom of the pay schedules. These "benchmark" jobs would be key positions, around which the pay of other positions keyed in with these jobs would be determined.

5. The proposed new agency would also co-ordinate the pay of the Government's blue collar workers. The committee did not propose that the local area wage board system be changed, but it

-2-

NOFORN

**CONFIDENTIAL**

**CONFIDENTIAL**

NOFORN

did propose better Governmentwide co-ordination of wage board salaries and elimination of duplication in wage board surveys.

The committee said that in general classified employee salaries in the lower grades were equal to that of industry. But Federal pay in the middle and upper grades lags considerably behind the salaries for comparable jobs in industry, the report said.

-3-

NOFORN

**CONFIDENTIAL**

# The Federal Diary

## Prof. Parkinson Voices Tart Views On Bureaucracy

WILLIAMSBURG, Va., Oct. 10. — C. Northcote Parkinson is a sour-faced, stocky and balding historian who is attempting to deflate bureaucracy whether it be in government or business.



His weapons are a devastating wit and satire on the growth of organizations, chiefly the management layer.

The Raffles professor of history at the University of Malaya is author of the "Parkinson's Law" which holds that the number of people in any working group increases regardless of the amount of work to be done.

He spoke to a score of Federal Government's top career officials at the Williamsburg Lodge here at an executive development conference sponsored by Brookings Institution. The officials were alternately laughing and smarting at the verbal jabs of the Britisher. For a time they weren't quite sure if he was serious.

But Parkinson emphasized that he was deadly serious in his belief of the "law" he founded. He said he was more convinced than ever of his theory following his writings on the subject. People from all over the world had written him, he related, to ask, "How did you know about our organization?" In fact, he said his book had understated the case and that the actual annual staff increase was nearer 7 per cent a year instead of his original and lower estimate.

The professor said he wrote his first essay on the "law" merely to amuse himself while he was vacationing on the Malayan seacoast. At his wife's suggestion, he sent it to the London Economist and he said it was "most remarkable" that it was described the success of his "law" as "accidental."

A wartime experience and his knowledge of history inspired Parkinson to evolve the "law." During World War II, he related, he was serving at a headquarters which he assured his listeners had nothing whatever to do with winning the war.

His commanding officer took leave, he said, and the work dropped 25 per cent; the second and third in command became ill and the work continued to decline.

"I was a major and finally I was left in command," he said, "and we were soon able to get our work done within an hour after breakfast."

Parkinson charged that a weakness of administration is the self-made work they resort to to justify their jobs.

"Administrators keep busy, very busy," he said, "but they spend most of their time writing memos, and criticizing one another's English, punctuation, etc."

The historian, ~~on a recent~~ said he recently visited a boys' school and was shown a "mounting pyramid" of administrative offices. Finally, he related, he asked the president: "When will you have all administrative offices and no school at all?"

"A major problem of the democracies," he said, "was the tendency for its leaders to grow too old and to frustrate and discourage potential leaders under them." He described Winston Churchill as a "great tree under which nothing grows."

He suggested two remedies. First, send the elderly leaders on long air trips to conferences all over the world, and secondly, require them to fill out piles of questionnaires and forms.

Parkinson said he found bureaucracy in business in this country as bad or worse as that in government. He will speak at the book and author luncheon, sponsored by The Washington Post and Times Herald, to be held Oct. 10 at the Statler.